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ABSTRACT

This paper provides an overview of the multicampus higher education systems which now dominate governance of public colleges and universities in the United States. After briefly summarizing the three types of governance systems (academically integrated multisite institutions; multicampus universities; and multicampus or consolidated systems) and presenting an historical review of the structural changes from the early 1950s through the 1980s, the paper discusses the following issues that are likely to affect multicampus systems in the 1990s: (1) new demands are being made on system leadership, with boards now expected to articulate a system agenda that communicates to external as well as internal constituencies; (2) accountability is being redefined, from accountability for resource use to accountability for performance and productivity; (3) there are renewed concerns both about centralization and lack of differentiation; (4) there are continuing uncertainties on broader political and economic fronts, caused by factors such as high turnover in state political leadership, intensified regional conflicts, and competition for funding among educational sectors; and (5) there are challenges to system leadership; boards and chief executives face growing expectations and demands that make it difficult to attract and retain outstanding individuals. A further definition of the categories of academically-integrated multicampus institutions is appended. (CH)

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Association of Governing Boards of Universities and Colleges

Perspectives on the Current Status of and Emerging Policy Issues for Public Multicampus Higher Education Systems

By Alms C. McGuinness, Jr.

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TABLE OF CONTENTS

Executive Summary i

Description of Structures 1

Governance of public institutions 1

Academically integrated multi-site institutions 2
Multi-campus universities 2
Multi-campus or consolidated governance systems 4

Statewide coordination 5

Definition 5
Types of state boards 5

Changes in Structures 8

Origins of systems 8
Changes in state-level structures 9

1970s 9
1980s 10

Trends and Issues for the Future 13

Expectations for System Leadership and Accountability for System Performance and Productivity. 13

Renewed Concerns About Centralization and Lack of Differentiation Within Systems 15

Continuing Uncertainties in Broader Political and Economic Environment 19

Uncertainties in System Leadership 22

Conclusion 25

References 26

Appendix 27

Bio 28

Executive Summary

Multi-campus higher education systems are now the dominant form of governance of public colleges and universities in the U.S. A basic understanding of variations among these structures is important to an understanding of issues and trends. The systems range from academically integrated multi-site institutions to more decentralized, multi-campus or consolidated governance systems.

Most of the multi-campus systems function within the framework of statewide coordination — either the system boards themselves are responsible for this coordination or it is assigned to another board that functions between the system and state government.

Most systems originated in three periods over the past century — at the turn of the century and up to World War I; in the Depression years; or in the period from 1950 to the early 1970s. The 1970s was a period of maturation of patterns of coordination and governance. In the 1980s, periodic changes were made in structures ranging from major restructuring in nine states to changes in sub-state systems of governance of state universities and community colleges. Throughout the period, there was a steady pattern of increased centralization of coordination and governance.

At least four major trends or issues are likely to affect multi-campus systems in the 1990s. First, political leaders and the general public expect system boards to play far stronger roles in providing policy leadership and in being accountable for system performance and productivity. Second, renewed concerns about centralization and lack of differentiation within systems are likely to lead to major internal restructuring and initiatives to down-size and decentralize some systems. Third, continuing uncertainties in the broader political and

economic environment, including high turnover among state political leaders and intensified regional conflicts, are going to make the tasks of systems even more complicated. And finally, despite the demands for stronger leadership and more effective management, the current difficulties in obtaining strong board appointments are likely to continue and the pool of candidates with the requisite skills and experience to assume system CEO positions is not strong.

The future of these systems will be, to a large extent, the future of the nation's higher education system. Deliberate initiatives to strengthen system leadership are essential to prepare multi-campus systems for the challenges of the next century.

Multi-campus higher education systems — systems in which two or more institutions are governed by a single board and central staff — are now the dominant form of governance of public colleges and universities in the U.S.[1] As described by Clark Kerr and Marian Gade,

> Nearly 80 percent of students in higher education are now in the public sector. About 70 percent of these students are on campuses within multicampus systems that do not have their own governing boards. This total comprises more than half (55 percent) of all students in higher education. The students in this 55 percent are encompassed in 120 systems covering 1,000 campuses. (1989, p. 115)

The future of these systems will be, to a large extent, the future of the nation's higher education system — its capacity to educate an increasingly diverse student population and to sustain the nation's world leadership research and technology.

This paper provides an overview of the dimensions of public systems in the U.S. and an outline of some of the major issues these systems will face over the next decade.

Description of Structures

State structures can be understood from two perspectives: first, in terms of how public institutions are governed; and second, in terms of how the state provides for coordination of the overall system of institutions.

Governance of Public Institutions

All states assign responsibility for the operation of public colleges and universities to governing boards. The names of the boards vary, but "board of trustees" and "board of regents" are the most common. The responsibilities of these boards are much the same as that of a board

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[1]Throughout this paper the term "governing board" is used to refer to a board which has broad corporate authority for the colleges and universities under its jurisdiction, including but not limited to appointing the system and campus chief executives, developing and implementing policy, serving as final legal authority on all contracts and personnel issues and having final authority on all financial matters.

of directors of any nonprofit corporation. They appoint the campus chief executive (and in systems, the system chief executive); establish policies and approve actions related to faculty and other personnel; ensure institutional fiscal integrity; and perform other planning, policy and management functions.

As indicated by the data cited above, only a small proportion of the public campuses in the U.S. have their own governing boards that are not subordinate to a system or multicampus governing board. The predominant pattern is for campuses to be elements of larger entities, but the actual governing arrangements in those systems vary significantly. The following categorization is an effort to give at least a broad understanding of this complexity. A further elaboration of each of these categories can be found in the Appendix.

Academically integrated multi-site institutions. Some universities, such as Indiana University and the University of Minnesota, and community colleges, such as Miami-Dade Community College, have off-campus sites or branches that operate as extensions of the academic programs of the main campus. All academic policies and programs are those of the main campus and faculty members are linked to the academic departments of that campus. In some of these cases, the chief executive of the main campus is also the head of all the constituent units. Creating a sense of a single institution located at many different sites is often a deliberate policy of the governing board and institutional leadership as reflected not only in formal policies but in public communications.

Multi-campus universities. These universities are usually composed of at least one major research university (usually the oldest and most prestigious institution) and one or more four-year campuses. Examples include the University of California and the University of Missouri. In a

few cases, such as the University of South Carolina, these systems also have two-year campuses. Several characteristics distinguish these universities from the academically integrated, multi-site, single universities:

- Each campus is an independent academic entity with its own mission and faculty. While one campus' programs many be offered on more than one campus (such as a specialized graduate or professional program), the academic departments of one unit are not linked to those of another campus.
- There is no single university faculty. Faculty members receive their appointments and earn promotion and tenure at a single campus. There may be a university-wide faculty body but this usually is limited to university-wide issues and usually does not supersede campus faculty governance.
- The university system chief executive is not simultaneously the chief administrator of one of the campuses. Each campus is headed by an official (the title is usually president if the system head is the chancellor, or vice versa) appointed by the system chief executive. In a few cases, senior university officials have dual assignments, but their titles make that distinction clear (e.g., "system president and chancellor of the university campus").
- The university system chief executive and the system staff are recognized by title, prestige and formal authority as the senior academic leaders of the system. This characteristic clearly distinguishes multi-campus universities from multi-campus systems. In these university systems it is presumed that, even though each campus is a distinct academic unit, there is a degree of consistency among the campuses in academic mission and values under the university system leadership.

Multi-campus or consolidated governance systems. Two subcategories further delineate these systems. Some are "segmental" systems, such as the Pennsylvania State System of Higher Education, in which all the units within the system have generally similar missions. An example would be a system composed of universities with missions focused on undergraduate teaching and only limited graduate programs, or a system composed only of two-year community colleges or postsecondary technical institutes. Despite broad similarities, each institution's mission in a segmental system is usually quite distinct. Others are "consolidated" systems, such as the University of Wisconsin System or the State University of New York, that include an even wider range of institutional missions. Some may be composed only of university campuses, but these will range from small undergraduate teaching campuses to two or more major research universities. Others include both universities and community colleges. Three characteristics distinguish these multi-campus or consolidated systems from multi-campus universities:

- Locus of academic leadership. The locus for academic leadership tends to be more at the campus or institutional level and not at the system level. In most cases, and as will be discussed later, in a growing number of cases the system chief executive is expected to provide system-wide academic leadership and this is often reflected in both title and perquisites (e.g., salary, benefits and visibility). But this system leadership role is usually seen as different from, and complementary to, the roles of the campus chief executives. In a few consolidated systems, the system office is primarily an administrative entity and executive office for the system board and plays only a staff role in terms of system academic leadership.
- Diversity of missions. The degree of diversity in missions and parity in terms of prestige among the constituent units are greater than in a multi-campus university.

- Origins. Many of these systems resulted from consolidations of single institutions or earlier systems rather than from the evolution of branches from the base of a major university. Many of the state university systems, for example, were created when former normal schools were removed from the governing authority of the state's public education board.

Statewide Coordination

Definition. "Coordination" is the term used most often to describe the formal and informal approaches taken by states to draw together all the elements of the state's higher education system and to handle the interconnections between the state and the higher education enterprise. The most common coordinating functions include:

- Statewide planning.
- Policy analysis and problem resolution.
- Definition of institutional missions.
- Academic program review.
- Budget development, funding formulas, and resource allocation.
- State program administration (e.g., student aid and institutional licensure).
- Information, monitoring and accountability systems.
- Administration of state quality improvement initiatives.

Governance is clearly distinguished from "coordination" because, as will be explained later, a number of state boards have coordinating but not governing responsibilities.

Types of State Boards. States employ basically three approaches to statewide coordination. The role and scope of authority of the boards differ significantly under each of these approaches. The status of state structures as of the end of 1990 according to the broad categories of

"consolidated governing board" and "coordinating board" and "higher education planning agency" is shown in Table 1.

Consolidated governing boards. Twenty-three (23) states and Puerto Rico have adopted this approach to statewide coordination. In these states, most, if not all, public universities are governed by a single multi-campus system board, but community colleges and postsecondary technical institutes are often governed separately. Despite great variation in specific authority, several general points distinguish these boards from those that perform only coordinating or planning functions. These boards:

- Carry out coordinating roles in addition to their governing responsibilities.
- Have authority both to develop and implement policy.
- Advocate institutional interests to the governor and legislature.
- Plan primarily for the system of institutions under their control and not for the broader system including private and other public institutions.
- Appoint, set compensation for, and evaluate system and institutional chief executives.
- Set faculty personnel policies and usually approve tenure.
- Have authority to allocate and reallocate resources between and among institutions within their jurisdiction.

Coordinating boards. Twenty-four (24) states have adopted these structures. In these states, a state agency has been established between the governing boards of institutions and the governor and legislature. Despite great variation in organization, legal authority and functions, coordinating boards can be distinguished from consolidated governing boards because they:

- Do not have governing responsibilities for institutions.

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- Except in specifically defined areas, have authority only to develop and recommend policy to the governor and legislature or to institutional governing boards. Regulatory boards often have authority to develop policies on system wide issues such as student transfer or implementation of requirements for performance indicators or assessment of student learning.
- Focus on state interests and not on advocacy of institutional interests. While coordinating boards may argue for the needs of the higher education system as a whole, they serve more as the intermediaries between the interests and priorities of the states on one hand and the institutions on the other.
- Plan primarily for the system as a whole and not just one sector. In most states with coordinating boards, this planning recognizes all institutions in the state, both public and private.
- Appoint, set compensation for and evaluate only the executive officer and staff of the board and not institutional chief executives.
- Do not set faculty personnel policies.
- Review and make recommendations on budgets to the governor and legislature. Some boards oversee the budget development process and recommend a consolidated budget for all public higher education. Other boards develop the formulae on which budgets are developed. In most cases, however, coordinating boards do not allocate funds to institutions once they have been appropriated. Except for special incentive or competitive funds administered by the board, most funds in these states are allocated directly to institutional governing boards. Four states (Alaska, Florida, New Hampshire and Oregon) have both a consolidated governing board

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or multi-campus system for their senior institutions as well as a coordinating or planning agency and thus are listed twice in Table 1.

Planning agencies. Three states (Delaware, Michigan and Vermont) and the District of Columbia have this kind of structure. These agencies have only limited planning authority and do not perform the range of functions normally associated with a coordinating board. In each of these states, higher education governance is the responsibility of two or more boards, while in the District of Columbia, all public institutions are governed by a single consolidated board.

Table 2 summarizes the relationships between different approaches to state coordination and the ways that states govern public institutions. These range from states in which each institution has its own governing board (Washington, for example) to states in which all institutions are under two or more multi-campus universities or consolidated systems (California, Connecticut, Illinois and Tennessee, as examples), to states with a mixed pattern of single-institution boards, multi-campus universities and consolidated systems (Colorado and Maryland, as examples).

Changes in Structures

Origins of Systems. The development of systems encompassing the governance of two or more public universities has occurred in several distinct periods of this century. Several systems — Idaho, Kansas, Mississippi, South Dakota, as examples — had their origins at the turn of the century and in the period leading up to World War I. Another group of systems evolved from political and economic pressures during the Depression years — Georgia, North Dakota and Oregon, as examples. Many of these systems evolved from consolidation of previously separately governed institutions. Without question, the greatest growth in systems occurred in

the period from the early 1950s through the late 1960s, and the reasons for their formation gained in complexity:

- Many systems evolved as major universities developed branches to serve growing population centers.
- Other systems were created to govern former normal schools that had been separated from the authority of state boards of education as they recently evolved into state colleges and universities.
- And still other systems were created by legislative action to provide for orderly growth and curb unnecessary duplication among institutions and systems that were competing to serve new population centers.

Changes in State-Level Structures

1970s. The period of the 1970s was one of maturation of the coordinating and governing patterns established in the previous decade. The year 1972 marked the culmination of more than a decade of development of state higher education agencies formed to coordinate the massive expansion of higher education in the late 1950s and 1960s. By that year, 47 states had established either consolidated governing boards responsible for all senior institutions (and in some cases, community and junior colleges also) or coordinating boards responsible for statewide planning and coordination of two or more governing boards. As described earlier, three small states with a limited number of institutions continued to handle statewide higher education issues through the existing governing boards and direct involvement of the governor and the legislature without a special statewide coordinating or governing agency.

Rather than expansion, the agenda of the 1970s shifted more to efficient use of limited

public resources in a period of slower growth if not decline in enrollment. It was a period, however, of continued strengthening of the authority of state boards.

The basic patterns of state-level organization of higher education across the nation today were in place in the early 1970s, with the exception of only a few states. Of even greater significance, the 1970s saw a major increase in the involvement of other executive branch agencies and legislative staffs in higher education affairs, especially in budgetary matters. Increasingly sophisticated legislators, backed by professional staffs, became more directly involved in both the substance and procedures of state higher education policy.

In the 1970s, 12 states made changes in higher education structure that could be characterized as significant. Seven states that had previously adopted a coordinating board as opposed to a statewide governing board took steps to strengthen that coordinating function, either modifying the authority of the existing agency or replacing that agency with a new body with increased regulatory authority. Two states replaced their coordinating bodies with statewide governing boards. The other three states made adjustments that reflected their unique political and structural situations.

1980s. In the decade of the '80s, the roles of state higher education boards shifted in fundamental ways as governors and legislators became far more aggressive in efforts to affect the quality of higher education and to stimulate stronger ties between universities and state economic development initiatives. The call for reform added new responsibilities to state boards and, as a consequence, heightened the potential for state/institutional conflict. Political leaders have increasingly looked to both coordinating and governing boards to be agents for change, to use a variety of policy tools as levers to affect the overall direction of the state higher education

system and to provide external incentives for institutions to undertake internal initiatives for improved quality and efficiency. Throughout the 1980s, but especially in the period since 1985, these new approaches have been incorporated into most governance proposals and changes.

Changes in governing structures during the 1980s can be summarized as follows:

Major restructuring. Nine states completed major restructuring of their state higher education systems. In each of these cases, not only the authority of the statewide board was strengthened but significant changes were made in sub-state systems of governance. Rhode Island abandoned its single board for all levels of education and established a single board for its three higher education institutions. Perhaps the most far reaching changes occurred in Massachusetts, where a new statewide consolidated governing board was established to replace all existing state boards and agencies. Other states — Colorado, Connecticut, Maryland, Nebraska, and Washington — debated the alternative of a single consolidated board. Each elected, however, to make a combination of changes including greatly strengthening the authority of the state coordinating agency and consolidating the governance of segments or clusters of public universities. In West Virginia, the single consolidated governing board for all public higher education was abolished and two new governing boards were established — one for the universities and the other for the state colleges, community colleges and vocational/technical institutions. At the same time, a cabinet-level position of secretary of education and the arts was established to provide for overall coordination of the system.

Changes in state board authority. In addition to the changes in state board authority mentioned above, a number of other states strengthened the role of coordinating agencies in significant yet less sweeping ways. In most cases, these changes involved granting the state

coordinating agency increased authority to review and approve academic programs and to carry out new quality and accountability initiatives (e.g., state mandates for assessment of student learning or new competitive or incentive funding programs). Reflecting new demands on statewide governing boards to assume "system" responsibilities, at least nine states debated proposals; of these, at least half made changes to increase the authority and change the title of the system executive officer. In most cases, these changes involved moving the positions from being staff to the governing board to being system officers with the title of "commissioner" or "chancellor" with increased line authority for campus presidents.

Changes in state structure for community colleges. Changes were debated in at least 10 states but significant changes were made in only 4 states. All cases involved increased coordinating authority for a state board.

Changes in sub-state systems. In several states, changes were made in the governing arrangements for some of the institutions but not others. The most far-reaching changes in the decade occurred in Pennsylvania where the state colleges and universities were placed under a new statewide higher education system; in Maryland, where several of the state colleges were consolidated under the University of Maryland System; and in Texas, where one of the university systems was abolished and several universities were consolidated under the University of Texas or Texas A & M systems. Changes in other states ranged from consolidation of single institutions under larger systems to new coordinating arrangements for several public institutions serving the same urban area. New Jersey countered the national trend by rejecting a proposal for a consolidated system and moving instead to reinforce the independent governance of each of its state colleges.

Trends and Issues for the Future

Certain trends emerging in the 1980s are likely to intensify in the 1990s, placing new demands on the leadership of systems.

Expectations for System Leadership and Accountability for System Performance and Productivity

As suggested earlier, expectations of system boards are changing in fundamental ways. In traditional terms, system boards defined their primary responsibilities as serving as the governing boards for the constituent institutions; providing for coordination, efficiency and economies of scale as afforded by a consolidated system; and advocating the coordinated interests of the system to the general public and state government.

The emphasis on each of these functions differed depending on the nature and origins of each system. For example, some boards rarely considered the combined capacity of the "system" and, in effect, served as the governing board of two or more distinct institutions. Depending largely on a council of campus presidents for system advice, the system perspective was, more often than not, the consensus among institutional perspectives rather than a distinct system view.

Other boards, especially formed through legislation consolidating previous separately governing institutions, devoted considerable attention to the efficiencies to be gained by an integrated system.

In either case, the board's attention was inward to the needs of the system's constituent units. "Policy" in this context was primarily policy for the internal governance and management of the system and not "public policy" dealing with issues that transcended the internal concerns.

These internal concerns remain, but new demands are now being made. System boards are now expected to exert what can be called "system policy leadership," that is, to articulate a

system agenda that communicates to external as well as internal constituencies, an agenda that connects the system's priorities to major public policy challenges: raising the state's education attainment through restructuring of public schools and undergraduate education; increasing minority participation and achievement; or revitalizing the state's economy through improved professional education, training, research and technology. The aim is to influence the aspirations and priorities of the broader "system" — including the general public and corporate, civic and political leaders. Rather than being seen as unswerving advocates of institutional interests, boards are also expected to temper their demands with a visible consciousness of the competing demands for limited public resources.

"Accountability" is also being redefined — from accountability primarily for resource use to accountability for performance and productivity. To complicate matters even more, new questions are being asked at both the institutional and the system level. For the system board, this means that it must not only expect each constituent unit to demonstrate performance and productivity according to its mission, but should be able to show how the system as a whole is contributing to these outcomes.

These new expectations are transforming board agendas and raising new tensions between systems and institutions.

- What should be the balance between a board's focus on internal governance and new expectations for system policy leadership? How should board agendas and staff work plans be changed to reflect new demands?

- What are the performance and productivity standards for the each of the constituent units and for the system as a whole? How will these be established and how and by whom will these be monitored?
- To what extent should a board compromise its obligations to advocate higher education's needs and concerns with the state's political and fiscal realities?
- How should the roles, responsibilities, titles and perquisites of the system chief executive and staff be changed to reflect these new leadership responsibilities?
- What should be the role of campus chief executives at the system level, and should their relationships to the board and the system chief executive be changed?

Renewed Concerns About Centralization and Lack of Differentiation Within Systems

Marian Gade and Clark Kerr express concern that, "The centralization of coordination and control within public sectors of higher education in most of the 50 states is a growing problem with vast implications." (1989, p. 104). This trend is clearly illustrated in the earlier description of changes in state higher education structures. As Kerr and Gade note, "This tendency . . . runs counter to the development in the American national economic policy toward more competition and autonomy."

These concerns have special relevance for multi-campus systems. Two conflicting forces are at work. On the one hand, powerful internal and external forces push for centralization and narrowing of differentiation:

- Governors and legislators are frustrated by the seemingly diffuse nature of the higher education system and demand a single point of accountability. Centralized control and

capacity for responsiveness to public priorities is often associated with bureaucratic centralization and simplification.

- Political leaders, especially in difficult economic times, react to intense institutional lobbying and inter-institutional and regional conflicts and competition by trying to push these tensions away from the legislature. Consolidated governance is often seen as a way to curb these competitive pressures.
- Pressures within systems tend to push decision-making upward. Since system boards are the final legal authority for all constituent units, their time and resources are often dominated by appeals and legal actions from throughout the system. While this may relieve the campuses of these burdens, it also means that the focus for decision-making is shifted upward.
- Higher education's traditions of consultation and involvement when applied at the system level lead to cumbersome decision-making processes that can impose uniform solutions across very different campuses. The values of participation, orderliness and consistency tend to overwhelm efforts at innovation, risk-taking and independent action.
- Bureaucratic coordination tends to push convergence toward single goals and priorities — a tendency which runs directly contrary to a widely acknowledged characteristic of an excellent higher education system: its capacity to encourage pursuit of multiple — and often conflicting — goals, objectives, priorities and missions.
- The dominant values of prestige associated with the major research university, with all its accompanying reward structures, are amplified by the system's natural bureaucratic

processes. As a result, systems attempting to foster a high degree of differentiation are faced by inexorable "mission drift."

These tendencies run counter to growing pressures for decentralization, differentiation, flexibility and responsiveness in other aspects of American society and in education, in particular.

The elaborate structure of many of today's multi-campus systems is a striking contrast to much of the rethinking about restructuring major corporations, as illustrated by Rosabeth Moss Kanter, in her recent book, When Giants Learn to Dance:

> It is impossible to win [in the global international economic competition]...using old corporate forms: elaborate hierarchies and slow decision-making processes; in-house rivalries and adversarial relationships with stakeholders; risk-averse systems that crush new ideas....
>
> [Major corporations]...need leaner, more integrated organizations [that]...have fewer layers of management and smaller corporate staffs; they minimize the interveners that delay action. (1989, p. 334)

In the current stage of public school reform, major themes include:

- Decentralization with a focus on improved management and involvement of constituencies at the smallest units in the system — the individual school level.
- Down-sizing, if not break up, of large district-level bureaucracies.
- Redefining the roles of district boards and staffs away from detailed bureaucratic control and toward an emphasis on setting and monitoring compliance with broad performance expectations for the system, technical assistance and support for the decentralized school units, and management of incentives and rewards for both individual school performance and district-wide priorities.
- Far greater reliance on market as opposed to bureaucratic forms of coordination.

Adding momentum to the trend toward decentralization and disaggregation is a seemingly worldwide public distrust of large, bureaucratic systems. While some forces continue to push for centralization, it is clear that governors and legislators will be reluctant to provide the financial resources necessary to sustain large central staffs.

Similar themes are beginning to emerge within higher education as universities — both public and private — seek ways to contain cost increases and refocus on the quality of undergraduate teaching in the face of pressures for strengthened capacity in research and technology. Examples include the recently announced changes at Stanford, Cornell and the University of Michigan, as well as the significantly down-sized and redefined role of the central staff of the University of Maryland System.

A major challenge for multi-campus systems in the next decade will be to accomplish to seemingly contradictory changes: redefining (and in some cases, strengthening) centralized functions related to policy leadership, while at the same time transforming leadership and management to achieve a far more differentiated, decentralized, adaptive and innovative units. Resolution of the conflicting and simultaneous pressures for centralization and decentralization will increasingly be on multi-campus system agendas. These points will be raised:

- What are the characteristics of an outstanding system, giving far more emphasis than in previous decades to public policy leadership, differentiation and decentralization?
- Should a deliberate review be made of all system policies and procedures with an eye toward opportunities to delegate decision-making to the campus level? Without a major, renewed effort to delegate governance, system boards will continue to find that they are unable to

devote sufficient attention to new "system leadership" tasks and will hinder the responsiveness of constituent units.

- Should the board consider how to "disaggregate" the system — to increase the bureaucratic separation of campuses with significantly different missions? To achieve this separation may require changes in everything from system-wide faculty advisory bodies, system-wide structures for addressing common academic and student affairs matters, complete restructuring of budget processes or changes even in the board committee structures.
- How do current system policies reinforce or undermine effective leadership by campus chief executives and effective campus management? Highly centralized systems tend to relieve rather than reinforce the responsibility of campuses, colleges and even departments for achieving expected outcomes within available resource constraints.
- How can budget and resource allocation processes be revised to give far greater emphasis to competitive, incentive funding aimed at spurring reallocation and improvement at every level of the system? How can the budgeting systems reinforce the capacity of different units of the system to pursue very different and often conflicting goals (from outstanding teaching for an increasingly diverse undergraduate population to world-class research and technology)? How can more use be made of financial incentives and market-driven mechanisms to promote inter-campus cooperation and system coordination?
- As part of the strategy to delegate governance, should campus-level boards be instituted with authority and responsibilities explicitly delegated by the system board?

Continuing Uncertainties in Broader Political and Economic Environment

As system boards face demands for policy leadership and restructuring, they will face an

exceptionally turbulent political and economic environment. These are some of likely conditions.

- High turn-over in state political leadership. Not only is there an unusually high number of new governors, but legislative leadership is changing rapidly as well. With reapportionment and growing interest in term limitations, legislative leadership is likely to change even more. These changes mean that fewer people will be in office who have a stake in the current higher education coordinating and governing structure and a thorough understanding of traditions regarding state-institutional relations. The changes could also mean that both executive and legislative branch staff members will gain in power as they are the only ones with the technical knowledge and longer-term perspective necessary to develop and implement policies.
- Intensified regional conflicts. Hardly a state in the nation is immune from intense political struggles between areas of growth and decline. In fact, these regional conflicts are so intense in a number of states that it is exceptionally difficult for political leaders to gain a broad consensus on "state" as opposed to "regional" interests. If these conflicts create stalemates in legislatures they are only amplified within the state higher education systems. Proposals for new high-cost graduate and professional programs or enhanced status of urban institutions are seen as threats to support of existing universities. Especially in difficult economic times, these controversies are often the seeds of proposals for major governance changes.
- Tendency of coordinating boards to be drawn closer to the state's political leadership. In recent years, governors have demonstrated a willingness to intervene directly in the agendas and staffing of state higher education boards in ways that would have been rare ten years ago. State higher education boards have always had to tread with care in the delicate interface between higher education and the state. A board's ability to address the priorities from both

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perspectives has depended both on support from the higher education community for the difficult task of coordination as well as on the willingness of political leaders to refrain from direct political intervention the boards' affairs. In more than a few states, for example, governors have insisted on having a voice in the selection of the state board's chief executive. At the same time, legislatures are being far more aggressive in defining the state board's agendas and drawing the board more into a staff role to the legislature than as an independent coordinating body. To the extent that the state coordinating body is also a consolidated governing board, these pressures present even more serious dilemmas for the board.

- Continuing demands for openness. All states now have some form of requirement regarding open meetings and access to information. These requirements can be expected to spread and become even more stringent. Beyond the need to conduct more of their business in public sessions, boards must also learn how to play a highly visible policy leadership role by openly debating controversial issues. This kind of role can place severe strains on board cohesiveness and can elicit "grand-standing" and other dysfunctional board behavior. Learning how to lead and communicate values and priorities by visible example of constructive behavior at board meetings will be one of the greatest challenges facing system boards in the next decade.
- Increased confidence of political leaders in their ability — and obligation — to effect change. Reform of the nation's public schools is now seen as inextricably tied to reform of higher education — not just of schools of education but of the teaching and learning experienced by undergraduates at the core of the institution. Governors and legislatures sense that change within the academy will only take place if prompted by external forces. In the past, they were reluctant to intervene. Now they are far more confident that, if armed with new policy tools

like incentive or competitive funding and mandates for assessment and public reporting of student performance, they can make a difference. The challenge for system boards is to play an active role in shaping these initiatives so that they can actually have positive effects when implemented at the system and campus level.

- Intensifying competition for funding among education sectors. The continuing priority of education reform, coupled with severe economic pressures in most states, is likely to fuel arguments that limited state funds should be invested in those institutions that can demonstrate that they are contributing to student learning and achievement. Also likely is a stabilization, if not decline, in federal research funding. These trends are already creating intense pressures on system boards as they seek both to strengthen the capacity of their institutions to educate an increasingly diverse population and to sustain often recently acquired capacity of campuses for research and graduate education. The challenge is a management task of a magnitude that few systems had to face.

Uncertainties in System Leadership

At a time when the demands for leadership are greater than ever, the prospects for significant improvements in system leadership, including both boards and system chief executives, are not bright.

System boards. Despite efforts by the Association of Governing Boards (AGB), the Education Commission of the States (ECS), and others, the uncertainties in political leadership mentioned earlier are likely to make it even more difficult to get strong appointments to system boards. Part of the problem lies in the nature of systems. It is easy for a person unfamiliar with the complexities of higher education to understand the role of a trustee of a single college or

university. It is far more difficult for a lay-person to comprehend the complexities of a multi-campus system. Also confusing the situation are the growing expectations, as mentioned earlier, that system boards emphasize policy leadership and system coordination and delegate institutional governance.

The situation is somewhat different for system boards that are also the governing boards for prestigious "flagship" campuses. It will always be easier to attract strong board members for these systems. But again, the challenge for these boards is to move beyond the role of "trustee" for one or more of the campuses, and to face the policy leadership and management tasks for the system as a whole.

The vast majority of systems, however, cannot claim the prestige associated with one or more of the state universities. For these boards, the task of attracting and retaining outstanding members is even more of a challenge.

System chief executives. The problem of the system chief executive is even more difficult. Two conflicting trends are at work. First, as illustrated in the earlier description of changes in state structure, the responsibilities of system chief executives for policy leadership and system management are clearly increasing. These positions demand not only an understanding of the intricacies of campus leadership but especially the ability to manage one of the most complex, multi-purpose enterprises in American society. Even more than these skills, the system chief executive must be a highly effective public leader — not just in relation to the formal "system" but to the state political leaders, general public and major corporate and civic leaders. At a time when decentralization and differentiation are growing in importance, the system CEO must be an outstanding leader of campus CEOs — from recruitment and selection, through evaluation and

support, to transition. As Larry Pettit has explained so well, the system CEO must also be able to carry out these responsibilities without the benefit of the constituencies and perquisites of the campus CEO. These are lonely positions.

At the time that these positions are growing in importance, the pool of individuals with the knowledge, experience and skills to fill them is not increasing. Moving through the typical career path to campus CEO is simply not adequate preparation for most people for the challenges of system leader. Individuals who are outstanding campus leaders may find the role of system leader, separated from faculties, students and all the perquisites of campus leadership, to be lonely and unfulfilling. Despite clear differences between campus and system leadership, searches continue to focus primarily on individuals whose primary experiences as a campus chief executive or perhaps as a campus or system academic affairs officer. While both these experiences may be helpful (especially in terms of the individual's credibility with campus CEOs and faculty), it will be the person's skills in system policy leadership and management that will be most important to the system's success in today's environment. Far too often the isolated, highly visible nature of the system chief executive position can lead an individual to over-emphasize control and the need for "symbols" of status to compensate for lack of leadership skills. These, in turn, tend to undermine the capacity of the system to undertake the fundamental changes that are likely to be needed over the next decade — changes leading to far greater decentralization and differentiation within the framework of broad system policy leadership.

Conclusion

Multi-campus systems are clearly a dominant feature of American higher education. The issues facing these systems over the next decade will require exceptional leadership from both the system boards and the chief executive officers. The uncertainties in the broader political and economic environments and the difficulties in attracting system leaders will present special challenges. Whether these challenges are met will determine, to a large extent, the capacity of the nation's higher education system to educate an increasing diverse population and sustain its world leadership in research and technology.

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APPENDIX

Categories of Academically-Integrated Multi-campus Institutions

Variations within this category are as follows:

1. A single university campus with a separate but academically-integrated specialized campus — most often a health science or medical school campus. The chief executive of the branch is appointed by, or may be the same as, the head of the main campus.
2. A single university campus with one or more lower- or upper-division campuses or branches with little or no academic autonomy from the main campus. The academic programs offered at the branches are only those also available at the main campus. The main campus chief executive may be the nominal chief executive of all units while these units will be headed on a operating level by officials with titles such as "vice president," "dean" or in cases in which little on-site academic leadership is expected, "executive director." The chief executive of the branch often reports to the senior academic officer of the main campus. As a slight variation, some universities have one or more two- or four-year branches that offer academic programs not offered at the main campus, but these are extensions from the academic departments of the main campus. A number of community colleges operate as single, multi-site institutions.

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Since joining the ECS staff in 1975, Aims has held a variety of assignments including serving as staff director of another ECS national task force chaired by Governor Thomas Kean of New Jersey which led to the report, Transforming the State Role in Undergraduate Education: Time for a Different View (ECS 1986), and directing the Commission's federal relations.

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[1] ECS is a nationwide compact formed in 1965 to help governors, state legislators, state education officials and others develop policies to improve the quality of education. Forty-nine states, the District of Columbia, American Samoa, Puerto Rico and the Virgin Islands are members.